

**House File 2401 - Introduced**

HOUSE FILE 2401  
BY TAYLOR

**A BILL FOR**

1 An Act relating to qualifications for and payment of  
2 unemployment compensation benefits, and including effective  
3 date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 96.3, subsection 5, paragraph a, Code  
2 Supplement 2009, is amended to read as follows:

3 *a. Duration of benefits.* The maximum total amount of  
4 benefits payable to an eligible individual during a benefit  
5 year shall not exceed the total of the wage credits accrued  
6 to the individual's account during the individual's base  
7 period, or twenty-six times the individual's weekly benefit  
8 amount, whichever is the lesser. The maximum total amount of  
9 benefits if not a multiple of one dollar shall be rounded to  
10 the lower multiple of one dollar. The director shall maintain  
11 a separate account for each individual who earns wages in  
12 insured work. The director shall compute wage credits for each  
13 individual by crediting the individual's account with one-third  
14 of the wages for insured work paid to the individual during  
15 the individual's base period. However, the director shall  
16 recompute wage credits for an individual who is laid off due to  
17 the individual's employer going out of business at the factory,  
18 establishment, or other premises at which the individual was  
19 last employed, by crediting the individual's account with  
20 one-half, instead of one-third, of the wages for insured work  
21 paid to the individual during the individual's base period.  
22 Benefits paid to an eligible individual shall be charged  
23 against the base period wage credits in the individual's  
24 account which have not been previously charged, in the inverse  
25 chronological order as the wages on which the wage credits  
26 are based were paid. However if the state "off indicator"  
27 is in effect and if the individual is laid off due to the  
28 individual's employer going out of business at the factory,  
29 establishment, or other premises at which the individual was  
30 last employed, the maximum benefits payable shall be extended  
31 to thirty-nine times the individual's weekly benefit amount,  
32 but not to exceed the total of the wage credits accrued to the  
33 individual's account.

34 Sec. 2. Section 96.4, subsection 4, paragraph a, Code  
35 Supplement 2009, is amended to read as follows:

1     ~~a. The individual has been paid wages for insured work~~  
2 ~~during the individual's base period in an amount at least one~~  
3 ~~and one-quarter times the wages paid to the individual during~~  
4 ~~that quarter of the individual's base period in which the~~  
5 ~~individual's wages were highest; provided that the individual~~  
6 has been paid wages for insured work totaling at least three  
7 and five-tenths percent of the statewide average annual wage  
8 for insured work, computed for the preceding calendar year if  
9 the individual's benefit year begins on or after the first full  
10 week in July and computed for the second preceding calendar  
11 year if the individual's benefit year begins before the first  
12 full week in July, in that calendar quarter in the individual's  
13 base period in which the individual's wages were highest, and  
14 the individual has been paid wages for insured work totaling  
15 at least one-half of the amount of wages required under this  
16 paragraph in the calendar quarter of the base period in which  
17 the individual's wages were highest, in a calendar quarter in  
18 the individual's base period other than the calendar quarter  
19 in which the individual's wages were highest. The calendar  
20 quarter wage requirements shall be rounded to the nearest  
21 multiple of ten dollars.

22     Sec. 3. Section 96.4, subsection 4, paragraph c, Code  
23 Supplement 2009, is amended to read as follows:

24     ~~c. If the individual has drawn benefits in any benefit year,~~  
25 the individual must during or subsequent to that year, work  
26 in and be paid wages for insured work totaling at least ~~two~~  
27 ~~hundred fifty dollars~~ the statewide average weekly wage, as a  
28 condition to receive benefits in the next benefit year.

29     Sec. 4. Section 96.5, subsection 1, unnumbered paragraph 1,  
30 Code 2009, is amended to read as follows:

31     If the department finds that the individual has left work  
32 voluntarily without good cause attributable to the individual's  
33 employer, ~~if so found by~~ and the department shall cancel the  
34 individual's wage credits earned from the employer. But the  
35 individual shall not be disqualified if the department finds

1 that:

2 Sec. 5. Section 96.5, subsection 1, paragraph g, Code 2009,  
3 is amended by striking the paragraph.

4 Sec. 6. Section 96.5, subsection 1, paragraph j,  
5 subparagraph (1), Code 2009, is amended to read as follows:

6 (1) The individual is a temporary employee of a temporary  
7 employment firm who notifies the temporary employment firm  
8 of completion of an employment assignment and who seeks  
9 reassignment. ~~Failure of~~ If the individual fails to notify  
10 the temporary employment firm of completion of an employment  
11 assignment within three working days of the completion of  
12 each employment assignment under a contract of hire, the  
13 individual shall be deemed a ~~voluntary quit~~ unavailable  
14 for work until the employer is notified or other work has  
15 been obtained for the individual unless the individual was  
16 not advised in writing of the duty to notify the temporary  
17 employment firm upon completion of an employment assignment or  
18 the individual had good cause for not contacting the temporary  
19 employment firm within three working days and notified the firm  
20 at the first reasonable opportunity thereafter.

21 Sec. 7. Section 96.5, subsection 2, Code 2009, is amended  
22 to read as follows:

23 2. *Discharge for misconduct.* If the department finds that  
24 the individual has been discharged for misconduct in connection  
25 with the individual's employment:

26 a. ~~The individual shall be disqualified for benefits until~~  
27 ~~the individual has worked in and has been paid wages for~~  
28 ~~insured work equal to ten times the individual's weekly benefit~~  
29 ~~amount, provided the individual is otherwise eligible.~~

30 b. ~~Provided further, if~~ For either gross misconduct  
31 is established or misconduct, the department shall cancel  
32 the individual's wage credits earned, ~~prior to the date of~~  
33 ~~discharge, from all employers~~ from the employer from which  
34 the individual was discharged. If the discharge for gross  
35 misconduct or misconduct was from the individual's last

1 employer subsequent to the claim filing, the department  
2 shall reduce the individual's wage credits earned from the  
3 last employer to the amount, if any, used for payment of  
4 any benefits for weeks prior to the week the individual was  
5 discharged.

6 c. Gross misconduct is deemed to have occurred after a  
7 claimant loses employment as a result of an act constituting  
8 an indictable offense in connection with the claimant's  
9 employment, provided the claimant is duly convicted thereof or  
10 has signed a statement admitting the commission of such an act.  
11 Determinations regarding a benefit claim may be redetermined  
12 within five years from the effective date of the claim. Any  
13 benefits payable due to wage credits earned from the employer  
14 from which the claimant was discharged for gross misconduct  
15 and paid to a the claimant prior to a the determination that  
16 the claimant has lost employment as a result of such act shall  
17 not be considered to have been accepted by the claimant in good  
18 faith.

19 d. For suspensions without pay for just cause the department  
20 shall determine a disqualification for one, two, or three weeks  
21 for the suspension period based on the severity of the work  
22 rule violation and consideration of progressive discipline.  
23 After the disqualification period the individual is no longer  
24 disqualified for benefits, provided the individual is otherwise  
25 eligible.

26 Sec. 8. Section 96.5, subsection 5, paragraph a,  
27 subparagraph (1), Code 2009, is amended to read as follows:

28 (1) Wages in lieu of notice, ~~separation allowance, or~~  
29 ~~severance pay, or dismissal pay.~~

30 (a) When the individual's employer, within ten calendar  
31 days after notification of the filing of the individual's  
32 claim, provides notice in writing to the department the  
33 period to which the payment shall be allocated, a sum equal  
34 to the wages of such individual for a normal workday shall  
35 be attributed to, or deemed to be payable to the individual

1 with respect to, the first and each subsequent workday in such  
2 period until such amount so paid or owing is exhausted. Any  
3 individual receiving or entitled to receive wages provided  
4 herein shall be ineligible for benefits for any week in which  
5 the sums, so designated or attributed to such normal workdays,  
6 equal or exceed the individual's weekly benefit amount. If  
7 the amount so designated or attributed as wages is less than  
8 the weekly benefit amount of such individual, the individual's  
9 benefits shall be reduced by such amount.

10 (b) Payment for wages in lieu of notice or severance pay  
11 shall not be deducted for any period in excess of one week from  
12 the unemployment benefits the individual is otherwise entitled  
13 to receive when any of the following apply:

14 (i) The individual's employer fails to notify the  
15 department in writing within ten calendar days after  
16 notification of the filing of the individual's claim.

17 (ii) The individual's employer fails to designate the  
18 period to which the payments shall be allocated.

19 (iii) The individual's employer requires the individual to  
20 sign a conditional release, waiver, or settlement agreement  
21 before the payment for wages in lieu of notice or severance pay  
22 will be paid to the individual.

23 Sec. 9. Section 96.6, subsection 2, Code 2009, is amended  
24 to read as follows:

25 2. *Initial determination.* A representative designated by  
26 the director shall promptly notify all interested parties to  
27 the claim of its filing, and the parties have ten days from  
28 the date of mailing the notice of the filing of the claim by  
29 ordinary mail to the last known address to protest payment of  
30 benefits to the claimant. The representative shall promptly  
31 examine the claim and any protest, take the initiative to  
32 ascertain relevant information concerning the claim, and, on  
33 the basis of the facts found by the representative, shall  
34 determine whether or not the claim is valid, the week with  
35 respect to which benefits shall commence, the weekly benefit

1 amount payable and its maximum duration, and whether any  
2 disqualification shall be imposed. The claimant has the burden  
3 of proving that the claimant meets the basic eligibility  
4 conditions of section 96.4. The employer has the burden of  
5 proving that the claimant is disqualified for benefits pursuant  
6 to section 96.5, except as provided by this subsection. The  
7 claimant has the initial burden to produce evidence showing  
8 that the claimant is not disqualified for benefits in cases  
9 involving section 96.5, subsection 10, and has the burden  
10 of proving that a voluntary quit pursuant to section 96.5,  
11 subsection 1, was for good cause attributable to the employer  
12 and that the claimant is not disqualified for benefits in cases  
13 involving section 96.5, subsection 1, paragraphs "a" through  
14 "h". Unless the claimant or other interested party, after  
15 notification or within ten calendar days after notification  
16 was mailed to the claimant's last known address, files an  
17 appeal from the decision, the decision is final and benefits  
18 shall be paid or denied in accordance with the decision.  
19 However, if a disqualification for benefits results in an  
20 overpayment decision, the disqualification decision is not  
21 final unless the claimant or other interested party, after  
22 notification of the overpayment decision or within ten calendar  
23 days after notification of the overpayment decision was  
24 mailed to the claimant's last known address, fails to file  
25 an appeal from the overpayment decision. An appeal of the  
26 overpayment decision shall also be considered an appeal of the  
27 disqualification decision causing the benefit overpayment,  
28 unless an appeal for the disqualification of benefits has  
29 already been heard, in which case the overpayment appeal is  
30 unaffected. If an administrative law judge affirms a decision  
31 of the representative, or the appeal board affirms a decision  
32 of the administrative law judge allowing benefits, the benefits  
33 shall be paid regardless of any appeal which is thereafter  
34 taken, but if the decision is finally reversed, no employer's  
35 account shall be charged with benefits so paid and this relief

1 from charges shall apply to both contributory and reimbursable  
2 employers, notwithstanding section 96.8, subsection 5.

3 Sec. 10. Section 96.19, subsection 38, paragraph b, Code  
4 Supplement 2009, is amended to read as follows:

5 b. An individual shall be deemed partially unemployed in any  
6 week in which either of the following apply:

7 (1) While employed at the individual's then regular job, the  
8 individual works less than the regular full-time week ~~and in~~  
9 ~~which the individual earns less than the individual's weekly~~  
10 ~~benefit amount plus fifteen dollars.~~

11 (2) The individual, ~~having~~ has been separated from the  
12 individual's regular job, ~~earns at odd jobs less than the~~  
13 ~~individual's weekly benefit amount plus fifteen dollars and~~  
14 works less than the regular full-time week in other employment.

15 Sec. 11. EFFECTIVE DATE AND APPLICABILITY. The following  
16 provision or provisions of this Act take effect July 4, 2010,  
17 and apply to any week of unemployment benefits beginning on or  
18 after that date:

19 1. The section of this Act amending section 96.5, subsection  
20 5.

21 2. The section of this Act amending section 96.6.

22 3. The section of this Act amending section 96.19.

23 Sec. 12. EFFECTIVE DATE AND APPLICABILITY. The following  
24 provision or provisions of this Act take effect July 4, 2010,  
25 and apply to any new claim of unemployment benefits filed on  
26 or after that date:

27 1. The section of this Act amending section 96.3.

28 2. The sections of this Act amending section 96.4.

29 3. The sections of this Act amending section 96.5,  
30 subsection 1.

31 4. The section of this Act amending section 96.5, subsection  
32 2.

33 EXPLANATION

34 This bill relates to the eligibility requirements for and  
35 payment of unemployment compensation benefits.

1 In Code section 96.3(5), the bill requires the maximum total  
2 amount of benefits in a benefit year, if not a multiple of \$1,  
3 to be rounded to the lower multiple of \$1.

4 In Code section 96.4(4), the bill eliminates the requirement  
5 that to qualify for unemployment benefits an individual must  
6 have been paid wages during the individual's base period in an  
7 amount at least one and one-quarter times the wages paid to the  
8 individual during the highest wage quarter of the individual's  
9 base period.

10 The bill provides that if an individual has received  
11 benefits in any benefit year, the individual must be paid wages  
12 in an amount at least equaling the statewide weekly wage,  
13 rather than \$250, before becoming eligible for benefits in the  
14 next benefit year.

15 In Code section 96.5(1), the bill provides that if the  
16 department finds that an individual has left work voluntarily  
17 without good cause attributable to the individual's employer,  
18 then the department shall cancel the individual's wage credits  
19 earned from that employer.

20 Code section 96.5(1)(g) is eliminated. The Code section  
21 currently requires an individual to work in and be paid wages  
22 for insured work equal to 10 times the individual's weekly  
23 benefit amount, after the individual left work voluntarily  
24 without good cause attributable to the employer under  
25 circumstances which would disqualify the individual for  
26 benefits.

27 In Code section 96.5(1)(j), the bill provides that  
28 temporary employees who fail to notify the temporary employment  
29 firm of the completion of each employment assignment shall be  
30 considered unavailable for work and not qualified for benefits  
31 until the employer is contacted or new employment is obtained.

32 In Code section 96.5(2), the bill eliminates the requirement  
33 for an individual to work in and be paid wages for insured work  
34 equal to 10 times the individual's weekly benefit to requalify  
35 for benefits after the individual has been discharged for

1 misconduct with the individual's employer. For a discharge  
2 for misconduct or gross misconduct the department shall cancel  
3 the individual's wage credits earned from the employer. For a  
4 discharge for misconduct or gross misconduct in connection with  
5 the individual's employment subsequent to the claim filing, the  
6 department shall reduce the individual's wage credits earned  
7 from this employer to the amount, if any, used for payment of  
8 any benefits for weeks prior to the week the individual was  
9 discharged. With a gross misconduct discharge the department  
10 will no longer cancel wage credits earned from other employers  
11 prior to the date of discharge. New Code section 96.5(2)(d)  
12 provides for disqualifications for one, two, or three weeks  
13 when an individual has been suspended without pay for just  
14 cause.

15 In Code section 96.5(5)(a) and (b), the bill provides that if  
16 notification of wages in lieu of notice or severance pay by the  
17 employer is made after 10 days of notification of claim filing,  
18 if the employer fails to designate a period for wages in lieu  
19 of notice or severance pay to be allocated, or if the employer  
20 requires the individual to sign a conditional release, waiver  
21 or settlement agreement before the payment for wages in lieu of  
22 notice or severance pay will be paid to the individual, then  
23 wages in lieu of notice or severance pay amount is limited to  
24 an amount of one week of wages and one week of deduction from  
25 benefits.

26 In Code section 96.6(2), the bill provides that a denial  
27 of benefits which causes a benefit overpayment does not  
28 become final unless an appeal is not filed within 10 calendar  
29 days of the notification of the overpayment decision. The  
30 bill provides that an appeal of the overpayment decision  
31 shall also be considered an appeal of the decision denying  
32 benefits which caused the overpayment, unless an appeal for  
33 disqualification of benefits has already been held, in which  
34 case, the overpayment appeal is unaffected.

35 In Code section 96.19(38)(b), the bill amends the definition

1 of partial employment. An individual is deemed partially  
2 unemployed in any week when the individual while employed at  
3 the individual's regular job works less than the full-time  
4 week or when the individual is separated from the individual's  
5 regular job and works less than the regular full-time week in  
6 other employment.

7 The sections of this Act amending Code sections 96.5(5),  
8 96.6, and 96.19 apply to any week of unemployment benefits  
9 beginning on or after July 4, 2010. The sections of this Act  
10 amending Code sections 96.3, 96.4, 96.5(1), and 96.5(2) apply  
11 to any new claim of unemployment benefits with an effective  
12 date on or after July 4, 2010.